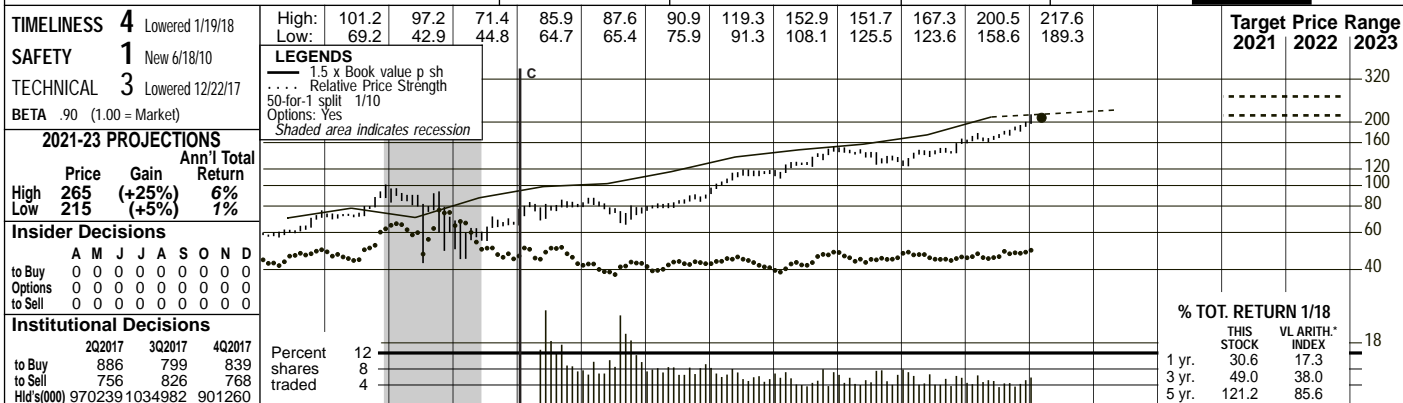


BERKSHIRE HATH. 'B' NYSE-BRKB

RECENT PRICE **209.66** P/E RATIO **35.5** (Trailing: 32.6 Median: NMF) RELATIVE P/E RATIO **1.87** DIV'D YLD **Nil** VALUE LINE



2021-23 PROJECTIONS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
Price	10.99	11.98	12.44	12.95	14.02	14.88	16.74	16.75	18.60	24.56	21.60	23.15	Premiums Earned p sh	28.55
Gain	d.30	4.76	4.54	2.62	3.87	5.31	4.28	6.93	5.87	3.53	4.85	5.45	Invest. Inc (loss) p sh	7.35
Return	35.71	31.60	38.11	42.45	46.92	53.70	57.98	61.83	66.19	53.86	54.55	56.55	Other Income p sh	65.30
High	2.14	1.51	2.49	2.14	2.73	3.30	3.18	2.95	2.94	3.17	3.55	4.40	Underwriting Income p sh	6.00
Low	2.15	3.46	5.29	4.14	5.24	7.89	8.06	9.77	9.77	6.43	6.10	6.60	Earnings p sh AC	12.00
Insider Decisions	47.03	58.36	65.90	68.23	77.73	91.05	98.62	104.91	116.11	141.16	146.65	152.75	Div'ds Decl'd p sh	Nil
to Buy	0	0	0	0	0	0	0	0	0	0	0	0	Book Value p sh B	167.35
Options	0	0	0	0	0	0	0	0	0	0	0	0	Common Shs. Outst'g C	2450.0
to Sell	0	0	0	0	0	0	0	0	0	0	0	0	Price to Book Value	145%
Institutional Decisions	2223.4	2326.8	2472.2	2476.2	2464.8	2454.4	2464.3	2465.2	2466.2	2467.4	2475.0	2475.0	Avg Ann'l P/E Ratio	20.0
2Q2017	886	799	839										Relative P/E Ratio	1.10
3Q2017	756	826	768										Avg Ann'l Div'd Yield	Nil
4Q2017														
to Buy	0	0	0	0	0	0	0	0	0	0	0	0		
to Sell	0	0	0	0	0	0	0	0	0	0	0	0		
Hld's(000)	970239	1034982	901260											

EQUITY INVESTMENTS as of 12/31/17													© VALUE LINE PUB. LLC			
Positions (12) of \$3.0 billion or more:																
Wells Fargo	(458,232,268 shares)	173%	107%	119%	115%	93%	121%	132%	133%	124%	124%	124%	124%	124%	Price to Book Value	145%
Coca Cola Co.	(400,000,000 shares)	37.8	18.1	14.8	19.0	15.9	14.0	16.2	14.3	14.7	27.2	27.2	27.2	Avg Ann'l P/E Ratio	20.0	
Bank of New York Mellon	(50,229,588 shares)	2.30	1.20	.94	1.19	1.00	.79	.85	.73	.77	1.33	1.33	1.33	Relative P/E Ratio	1.10	
American Express	(151,610,700 shares)	25525	27884	30749	32075	34545	36684	41253	41294	45881	60597	53450	57350	Premiums Earned	70000	
Southwest	(47,659,456 shares)	4705.0	11073	11217	6488	9539	13081	10539	17092	14484	8710	12000	13500	Investment Income (loss)	18000	
Delta Airlines	(53,110,395 shares)	82966	73536	94219	105125	115648	132385	142881	152435	163239	132887	135000	140000	Other Income	160000	
U.S. Bancorp	(87,058,877 shares)	63.7%	65.5%	58.8%	64.9%	58.2%	58.0%	64.0%	64.2%	67.4%	71.4%	68.0%	66.0%	Loss to Prem. Earned	65.0%	
Bank of America	(679,000,000 shares)	16.8%	21.9%	20.0%	18.6%	22.3%	19.8%	17.0%	18.2%	16.8%	15.7%	15.5%	15.0%	Expense to Prem Written	14.0%	
Kraft Heinz	(325,634,818 shares)	19.5%	12.6%	21.2%	16.5%	19.5%	22.2%	19.0%	17.6%	15.8%	12.9%	16.5%	19.0%	Underwriting Margin	21.0%	
Apple	(165,333,962 shares)	26.1%	30.6%	29.4%	29.8%	31.1%	31.1%	28.2%	30.1%	27.4%	20.0%	20.0%	20.0%	Income Tax Rate	20.0%	
Moodys's	(24,669,778 shares)	4994	8055	12967	10254	12916	19476	19860	24083	24095	15865.0	15100	16335	Net Profit (\$mill)	29400	
Phillips 66	(80,689,892 shares)	109267	135785	162934	168961	191588	224485	243027	258627	286359	348296	363000	378000	Shr. Equity (\$mill) B	410000	
Market Value of all equities: \$190.4 bill.		4.6%	5.9%	8.0%	6.1%	6.7%	8.7%	8.2%	9.3%	8.4%	4.6%	4.0%	4.5%	Return on Shr. Equity	7.0%	
Common Shares 2,467,449,539 Class B shares		--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil	
Includes 748,745 Class A shrs, as if converted.																
as of 2/13/2018																
MARKET CAP: \$517 billion (Large Cap)																

BUSINESS: Berkshire Hathaway Inc. is a holding company owning subsidiaries engaged in property and casualty insurance on a direct and reinsurance basis through GEICO, General Re and Berkshire Reinsurance. Other business activities include electric utilities, railroads, flight training services, candy manufacturing, ice cream, building products, newspapers, retailing, fine jewelry, etc. Also, fractional ownership programs for general aviation (NetJets), energy (Mid-American Energy). Has approximately 367,700 employees. Officers & directors control 22.1% of voting power (3/17 proxy). Chrmn. & CEO: Warren E. Buffett. Vice Chrmn.: Charles T. Munger. Inc.: DE. Addr.: 3555 Farnam Street, Omaha, Nebraska 68131. Tel.: 402-346-1400. Internet: www.berkshirehathaway.com.

Berkshire Hathaway posted an earnings decline last year, though we feel this requires a bit more color. The industry behemoth reported a stellar increase in net premiums earned, year over year, from \$45.9 billion to \$60.6 billion. Furthermore, aggregate revenues advanced 8.3%, to \$39.9 billion. However, expenses increased more than anticipated from \$190.9 billion to \$221.2 billion. Looking at this with more granularity, insurance losses climbed sharply from \$30.9 billion to \$48.9 billion. This doesn't come as a surprise to us, given that the broader P/C insurance industry was constrained by a severe hurricane season last year.

Profits may take another step back this year, before gaining some traction in 2019. Though we look for an improvement in the loss ratio this year, some of the catastrophic losses from 2017 may spill over. We do, however, think earnings will rebound in 2019, assuming current fundamentals remain on track. In fact, rate increases in the insurance market should be easier to come by during 2018's and 2019's renewal seasons as last year's significant losses give insurers greater bargaining leverage. Berkshire's investment portfolio should also receive a shot in the arm from higher investment income in the months ahead. Bond yields ought to continue to trend higher as the Federal Reserve gradually increases borrowing rates (and thus bond yields) over the next couple of years.

We have rolled out our projections by a year to 2021-2023 and in the process have become more optimistic. We now look for Berkshire to earn about \$12.00 a share over that time frame.

These shares are untimely. What's more, 3- to 5-year gains capital potential falls well short of the Value Line. However, conservative investors ought to note that these shares carry our Highest (1) rank for Safety. Also, acquisitions aren't included in our forecast until consummated and could add meaningfully to our forecast. In fact, Berkshire has historically been a very notable player in the acquisition market. Hence, one could argue that these shares would be a solid choice for risk-averse accounts willing to exercise some patience.

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	9540	10400	10514	10840	41294
2016	11124	10799	11364	12594	45881
2017	21753	12367	13349	13128	60597
2018	13000	13200	13500	13750	53450
2019	14000	14200	14450	14700	57350

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	2.10	1.63	3.82	2.22	9.77
2016	2.27	2.03	2.92	2.55	9.77
2017	1.65	1.73	1.65	1.40	6.43
2018	1.45	1.50	1.55	1.60	6.10
2019	1.55	1.62	1.71	1.72	6.60

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016					
2017					
2018					

(A) Based on diluted shares outstanding. Earnings include investment gains/(losses) and derivative gains and losses. Next earnings report due late April. (B) Incl. goodwill. In 12/31/16, \$79.5 billion; \$32.24/share. (C) In mill. Split B shares 50-to-1 in January 2010. Each B share is now worth 1/1500 of an A share.

Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 75
Earnings Predictability 65

To subscribe call 1-800-VALUELINE

Alan G. House March 9, 2018